

Exhibit B

Securities Stipulation Modification

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

-----X
:
:
:
IN RE: DELPHI CORPORATION : MDL No. 1725
SECURITIES, DERIVATIVE & "ERISA" : Master Case No. 05-md-1725
LITIGATION : Hon. Gerald E. Rosen
:
:
:
This Document Relates to:
In Re: Delphi Corp. Securities Litig.
No. 06-10026, and Case Nos.
06-10025, 06-10027, 06-10028,
06-10029, 06-10030, 06-10031, and
06-10032
:
-----X

**STIPULATION MODIFYING
AGREEMENT OF SETTLEMENT WITH CERTAIN DEFENDANTS**

This Stipulation Modifying Agreement of Settlement With Certain Defendants (the "Modification") is submitted in the above-captioned *In re: Delphi Corporation Securities, Derivative & "ERISA" Litigation*, Master Case No. 05-md-1725 (GER), and relates to *In Re: Delphi Corp. Securities Litigation*, No. 06-10026 and the other securities actions listed above, pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the United States District Court for the Eastern District of Michigan (the "Court"), this Modification is entered into among Lead Plaintiffs Teachers' Retirement System of Oklahoma, Public

Employees' Retirement System of Mississippi, Raiffeisen Kapitalanlage-Gesellschaft m.b.H., and Stichting Pensioenfonds ABP (hereinafter "Lead Plaintiffs") on behalf of themselves and the Class (as defined in the underlying Stipulation and Agreement of Settlement With Certain Defendants, dated August 31, 2007 (the "Stipulation")), and Delphi Corporation ("Delphi"); Delphi Trust I and Delphi Trust II; J.T. Battenberg III, John G. Blahnik, Robert H. Brust, Virgis W. Colbert, Alan S. Dawes, David N. Farr, Paul R. Free, Bernd Gottschalk, Susan A. McLaughlin, Oscar de Paula Bernardes Neto, Cynthia A. Niekamp, John D. Opie, Roger S. Penske, Donald L. Runkle, John D. Sheehan, and Patricia C. Sueltz (collectively, the "Delphi Officer and Director Defendants"); and Banc of America Securities LLC, Barclays Capital Inc., Bear, Stearns & Co. Incorporated, Citigroup Global Markets, Credit Suisse Securities (USA) LLC (f/k/a Credit Suisse First Boston Corporation), Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC, and Wachovia Capital Markets, LLC (collectively, the "Underwriter Defendants").

WHEREAS:

A. On August 31, 2007, the parties hereto executed the Stipulation, which, subject to its terms including approval by this Court and the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), provided for a final settlement and resolution of the Delphi Securities Action, as defined in the Stipulation, as to Delphi, the Delphi Officer and Director Defendants and the Underwriter Defendants (the "Settlement").

B. On September 5, 2007, the Court preliminarily approved the Settlement, and on November 13, 2007, after adequate notice was provided to the Class, conducted a fairness hearing concerning the Settlement.

C. On September 6, 2007, Delphi and certain of its subsidiaries and affiliates filed in the Bankruptcy Court their Joint Plan of Reorganization of Delphi Corporation And Certain Affiliates, Debtors And Debtors-In-Possession (the “Plan”), which included the Stipulation as an exhibit thereto.

D. Consistent with the Stipulation, on September 7, 2007, Delphi filed a motion in the Bankruptcy Court seeking approval of the Settlement. On October 25, 2007, the Bankruptcy Court preliminarily approved the Settlement and scheduled the matter for final consideration to be heard in conjunction with Delphi’s confirmation hearing concerning the Plan.

E. On various dates thereafter, Delphi filed certain proposed amendments to the Plan, including the most recent proposed amendments on December 3, 2007. The Plan currently contemplates that a portion of the Delphi Plan Currency will take the form of certain rights to acquire shares of common stock of reorganized Delphi at an exercise price per share lower than the agreed upon price per share under the Plan (the “Discount Rights Offering”).

F. As part of the proposed amendments to the Plan, Delphi and Lead Plaintiffs have agreed to certain modifications to the consideration to be issued by Delphi pursuant to the Stipulation, as set forth herein, which Delphi and Lead Plaintiffs believe are not material. At a hearing on December 4, 2007, Delphi, Co-Lead Counsel to the Class, and certain Lead Plaintiffs informed the Court of the modifications to the Stipulation. The Court found that the modifications had at least neutral impact upon the rights of the Class and potentially provided a net benefit to the Class, and tentatively approved the modifications subject to final consideration after publication of a notice affording an opportunity for Class Members to object solely to the modifications, as

specified by the Court.¹ The Court ordered the parties to memorialize the modifications to the Stipulation in a stipulation.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and between the parties to this Modification, through their respective counsel:

1. Unless otherwise set forth herein, the Stipulation remains in full force and effect, subject to all of its terms and conditions. All capitalized terms used and not separately defined herein shall be defined as set forth in the Stipulation. The issuance of the consideration by Delphi pursuant to the Stipulation, which remains subject in all respects to the approvals contemplated by this Court and the Bankruptcy Court as set forth in the Stipulation, shall be modified as described in ¶¶ 2 - 4 below.

2. The face amount of the Section 510(b) Claim shall be reduced from Two Hundred Four Million United States Dollars (U.S. \$204,000,000) to One Hundred Seventy Nine Million United States Dollars (U.S. \$179,000,000), with no additional provision to be made for accrued interest.

3. Delphi shall cause to be paid to the Escrow Agent Fifteen Million United States Dollars (U.S. \$15,000,000) (the "15 Million Payment") in connection with the Settlement within ten (10) business days after the Bankruptcy Effective Date, which Delphi has represented will be paid pursuant to an agreement with a certain third party. The \$15 Million Payment shall be deemed a Settlement Amount as defined in paragraph 1(tt) of the Stipulation and subject to paragraph 32 of the Stipulation in the event the Settlement is terminated pursuant to paragraphs 30

¹ The Notice of Proposed Modification to the Terms of the Settlement With Certain Defendants is attached hereto as Exhibit 1. No objections were received by Lead Plaintiffs or filed with the Court in connection and consistent with this Notice.

and/or 31 of the Stipulation. In addition, the \$15 Million Payment required herein shall be an additional condition to the occurrence of the Effective Date of the Settlement pursuant to paragraph 29 of the Stipulation.

4. To facilitate the ability of the Class to realize the benefits of participation in the Discount Rights Offering, Delphi agrees that on behalf of the Class, Lead Plaintiffs may elect to exercise some or all of their rights thereunder, and in lieu of paying the cash exercise price at the time of such exercise, Lead Plaintiffs will have the right to so exercise by delivering to Delphi a notice during the pendency of the election period for the Discount Rights Offering stating (i) that Lead Plaintiffs elect to participate in the Discount Rights Offering, (ii) the number of shares of new common stock in reorganized Delphi that Lead Plaintiffs shall purchase through the Discount Rights Offering, and (iii) that Lead Plaintiffs elect to reimburse Delphi, within ten (10) business days after the Effective Date of the Settlement, the aggregate amount of the Discount Rights Offering exercise price in connection with the number of shares of new common stock in reorganized Delphi purchased on behalf of the Class. Notwithstanding the foregoing, no distribution of new common stock in reorganized Delphi available through the Discount Rights Offering or certificates therefor shall be made to the Escrow Agent until Delphi has received from Lead Plaintiffs the full amount needed to reimburse Delphi for the aggregate exercise price for such new common stock.

5. Lead Plaintiffs agree that, if they exercise any or all of their rights in connection with the Discount Rights Offering pursuant to paragraph 4 above, such exercise is a commitment to purchase the shares so specified. Accordingly, in the event of such exercise, Lead Plaintiffs, on behalf of the Class, shall pledge as collateral the Class's interest in (i) cash maintained in the Gross Settlement Fund as a result of payments made pursuant to the Stipulation and interest earned thereon and (ii) if such cash pledged is less than the amount necessary to reimburse Delphi for the full

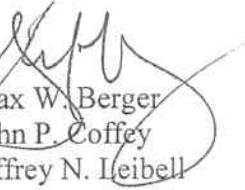
amount of the purchase price for the rights exercised by Lead Plaintiffs in the Discount Rights Offering, the cash proceeds of any sales of any new common stock in reorganized Delphi distributed to the Escrow Agent as part of the Delphi Net Consideration. Delphi and Lead Plaintiffs will, on or before the date Lead Plaintiffs, on behalf of the Class, make the election to participate in the Discount Rights Offering described in ¶ 4 above, enter into any writings reasonably necessary to effectuate the pledge of collateral contemplated herein, including any undertaking or directions to the Escrow Agent to deliver to Delphi, within ten (10) business days after the Effective Date of the Settlement, funds in the full amount of the aggregate purchase price for the rights exercised by Lead Plaintiffs, on behalf of the Class, in the Discounst Rights Offering.

6. The parties hereto agree that the modifications described herein are immaterial to the Settlement in that the economic effect upon the Class is at least neutral and potentially a net benefit to the Class. The parties agree that the costs of the publication notice and modifications of the website shall be paid out of the Gross Settlement Fund.

DATED: January 11, 2008

**BERNSTEIN LITOWITZ BERGER &
GROSSMANN LLP**

By:


Max W. Berger
John P. Coffey
Jeffrey N. Leibell
Hannah E. Greenwald
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 554-1400
Facsimile: (212) 554-1444

Co-Lead Counsel for Lead Plaintiffs

**SCHIFFRIN BARROWAY TOPAZ &
KESSLER, LLP**

By:

Michael K. Yarnoff
Sean M. Handler
Kay E. Sickles
280 King of Prussia Road
Radnor, PA 19087
Telephone: (610) 667-7056
Facsimile: (610) 667-7706

Co-Lead Counsel for Lead Plaintiffs

DATED: January 11, 2008

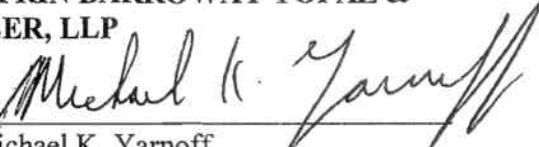
**BERNSTEIN LITOWITZ BERGER &
GROSSMANN LLP**

By: _____

Max W. Berger
John P. Coffey
Jeffrey N. Leibell
Hannah E. Greenwald
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 554-1400
Facsimile: (212) 554-1444

Co-Lead Counsel for Lead Plaintiffs

**SCHIFFRIN BARROWAY TOPAZ &
KESSLER, LLP**

By: 
Michael K. Yarnoff
Sean M. Handler
Kay E. Sickles
280 King of Prussia Road
Radnor, PA 19087
Telephone: (610) 667-7056
Facsimile: (610) 667-7706

Co-Lead Counsel for Lead Plaintiffs

NIX PATTERSON & ROACH, L.L.P.

By:

Bradley E. Beckworth by R. Patterson
Bradley E. Beckworth
Jeffrey J. Angelovich
Susan Whatley
205 Linda Drive
Daingerfield, TX 75638
Telephone: (903) 645-7333
Facsimile: (903) 645-4415

Co-Lead Counsel for Lead Plaintiffs

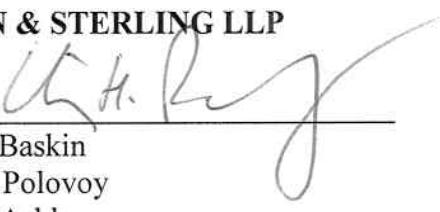
GRANT & EISENHOFER P.A.

By:

J. Sabella
Stuart M. Grant
James J. Sabella
Sharan Nirmul
485 Lexington Avenue, 29th Floor
New York, NY 10017
Telephone: (646) 722-8500

Co-Lead Counsel for Lead Plaintiffs

SHEARMAN & STERLING LLP

By: 

Stuart J. Baskin
Brian H. Polovoy
Marc D. Ashley
599 Lexington Avenue
New York, New York 10022-6069
Telephone: (212) 848-4000
Facsimile: (212) 848-7179

**Counsel for Delphi Corporation,
Delphi Trust I, Delphi Trust II, Robert H. Brust,
Virgis W. Colbert, David N. Farr, Bernd
Gottschalk, Susan A. McLaughlin,
Oscar de Paula Bernardes Neto, Cynthia A.
Niekamp, John D. Opie, Roger S. Penske, Donald
L. Runkle, John D. Sheehan, and Patricia C.
Sueltz**

BAKER BOTTS L.L.P.

By: 

William H. Jeffress, Jr.
Bridget M. Moore
Michael G. Pattillo, Jr.
Joe R. Caldwell, Jr.
1299 Pennsylvania Avenue, N.W.
Washington, DC 20004-2400
Telephone: (202) 639-7788
Facsimile: (202) 639-7980

Counsel for J.T. Battenberg III

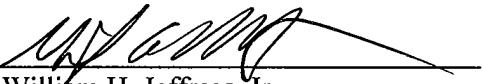
SHEARMAN & STERLING LLP

By: _____

Stuart J. Baskin
Brian H. Polovoy
Marc D. Ashley
599 Lexington Avenue
New York, New York 10022-6069
Telephone: (212) 848-4000
Facsimile: (212) 848-7179

**Counsel for Delphi Corporation,
Delphi Trust I, Delphi Trust II, Robert H. Brust,
Virgis W. Colbert, David N. Farr, Bernd
Gottschalk, Susan A. McLaughlin,
Oscar de Paula Bernardes Neto, Cynthia A.
Niekamp, John D. Opie, Roger S. Penske, Donald
L. Runkle, John D. Sheehan, and Patricia C.
Sueltz**

BAKER BOTTS L.L.P.

By: 

William H. Jeffress, Jr.
Bridget M. Moore
Michael G. Pattillo, Jr.
Joe R. Caldwell, Jr.
1299 Pennsylvania Avenue, N.W.
Washington, DC 20004-2400
Telephone: (202) 639-7788
Facsimile: (202) 639-7980

Counsel for J.T. Battenberg III

O'MELVENY & MYERS LLP

By: 

Robert N. Eccles
Robert M. Stern
1625 Eye Street, NW
Washington, DC 20006-4001
Telephone: (202) 383-5315
Facsimile: (202) 383-5414

Counsel for Alan S. Dawes

PEPPER HAMILTON LLP

By: _____

Matthew J. Lund
100 Renaissance Center
Suite 3600
Detroit, MI 48243-1157
Telephone: (313) 259-7110

Counsel for Paul R. Free

**MILLER, CANFIELD, PADDOCK and STONE,
PLC**

By: _____

Thomas W. Cranmer
Matthew P. Allen
150 W. Jefferson, Suite 2500
Detroit, Michigan 48226
(313) 963-6420

Counsel for John G. Blahnik

O'MELVENY & MYERS LLP

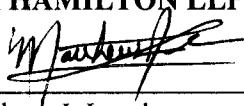
By: _____

Robert N. Eccles
Robert M. Stern
1625 Eye Street, NW
Washington, DC 20006-4001
Telephone: (202) 383-5315
Facsimile: (202) 383-5414

Counsel for Alan S. Dawes

PEPPER HAMILTON LLP

By: _____


Matthew J. Lund
100 Renaissance Center
Suite 3600
Detroit, MI 48243-1157
Telephone: (313) 259-7110

Counsel for Paul R. Free

**MILLER, CANFIELD, PADDOCK and STONE,
PLC**

By: _____

Thomas W. Cranmer
Matthew P. Allen
150 W. Jefferson, Suite 2500
Detroit, Michigan 48226
(313) 963-6420

Counsel for John G. Blahnik

O'MELVENY & MYERS LLP

By: _____

Robert N. Eccles
Robert M. Stern
1625 Eye Street, NW
Washington, DC 20006-4001
Telephone: (202) 383-5315
Facsimile: (202) 383-5414

Counsel for Alan S. Dawes

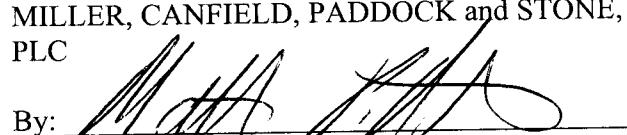
PEPPER HAMILTON LLP

By: _____

Matthew J. Lund
100 Renaissance Center
Suite 3600
Detroit, MI 48243-1157
Telephone: (313) 259-7110

Counsel for Paul R. Free

MILLER, CANFIELD, PADDOCK and STONE,
PLC

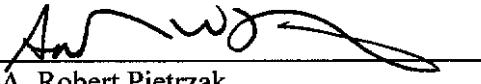
By: 

Thomas W. Cranmer
Matthew P. Allen
150 W. Jefferson, Suite 2500
Detroit, Michigan 48226
(313) 963-6420

Counsel for John G. Blahnik

SIDLEY AUSTIN LLP

By:



A. Robert Pietrzak
Andrew W. Stern
787 Seventh Avenue
New York, NY 10019
Telephone: (212) 839-5397
Facsimile: (212) 839-5599

**Counsel for Banc of America Securities LLC,
Barclays Capital Inc., Bear, Stearns & Co.
Incorporated, Citigroup Global Markets, Credit
Suisse Securities (USA) LLC (f/k/a Credit Suisse
First Boston Corporation), Merrill Lynch, Pierce,
Fenner & Smith Incorporated, Morgan Stanley
& Co. Incorporated, UBS Securities LLC, and
Wachovia Capital Markets, LLC**

EXHIBIT 1

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

IN RE:

**DELPHI CORPORATION
SECURITIES, DERIVATIVE &
“ERISA” LITIGATION**

x	MDL No. 1725
	: Master Case No. 05-md-1725
	: Hon. Gerald E. Rosen
	: This Document Relates to: In Re: Delphi
	: Corp. Securities Litig. No. 06-10026, and
	: Case Nos. 06-10025, 06-10027, 06-10028,
	x 06-10029, 06-10030, 06-10031, and 06-10032

**NOTICE OF PROPOSED MODIFICATION TO THE TERMS
OF THE SETTLEMENT WITH CERTAIN DEFENDANTS**

YOU ARE HEREBY NOTIFIED that proposed modifications to the terms of the Settlement in the Delphi Securities Action have been presented to, and tentatively approved by, the Court. Those modifications amend the Settlement terms set forth in the Notice of Proposed Settlement with Certain Defendants, Motion for Attorneys' Fees and Reimbursement Hearing (the "Notice"), which were presented to the Court at the Fairness Hearing conducted on November 13, 2007. Unless stated otherwise, all terms herein are as defined in the Notice.

The proposed modifications to the Settlement terms, which are summarized below and set forth in detail on the website dedicated to the Settlement, www.delphiclasssettlement.com, have been agreed to by all parties to the Settlement, and were tentatively approved by the Court at a hearing held on December 4, 2007. At that hearing, the Court made the tentative finding that the proposed modifications to the Settlement terms were at least neutral to the Class, and may potentially provide a net benefit to the Class. The Court also heard from Lead Plaintiffs, Lead Counsel (who had conferred with all Lead Plaintiffs) and counsel for Delphi Corporation, who similarly expressed their positions that the proposed modifications were at least neutral to the Class and may in fact provide the Class with a net benefit.

The proposed modifications relate only to the consideration to be provided to the Class by Delphi, and do not affect the payments made by any other Settling Defendant. A summary of the proposed modifications to the previously disclosed terms of the Settlement is as follows:

1. The total cash available for the benefit of the Class is increased by \$15,000,000.
2. The Allowed Claim provided to the Class in Delphi's Bankruptcy Case to be paid in Delphi Plan Currency is reduced from \$204,000,000 to \$179,000,000. Under the current version of the Delphi Plan of Reorganization, Delphi Plan Currency is comprised of stock in reorganized Delphi and the right to purchase additional stock in reorganized Delphi at a discount ("Discount Rights").
3. Delphi has agreed to finance, at no cost to the Class, the cash payment necessary to exercise some or all of the Discount Rights until after the Effective Date of the Settlement, which permits the Class to realize some or all of the potential value of the Discount Rights without incurring significant additional cost.

Lead Plaintiffs and Lead Counsel support the modifications, and believe that the economic benefit of the additional cash and financing for the Discount Rights provided by Delphi are at least equivalent to the reduction in the Allowed Claim in Delphi's Bankruptcy Case.

For a more detailed description of the proposed modifications to the terms of the Settlement, and a copy of the Settlement Notice, please visit www.delphiclasssettlement.com.

You may object to the proposed modifications to the Settlement terms, but only to these modifications. To do so, your objection must be filed in the manner prescribed in Question 16 of the Notice and filed with the Court and sent to the counsel listed in Question 16 of the Notice. Any objection to the modifications to the Settlement terms must be filed with the Court by January 3, 2008, and received by counsel no later than the close of business on January 3, 2008.

By Order of the Court